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PART - VI

Acts of Parliament and Ordinances promulgated by the President

LEGISLATIVE AND PARLIAMENTARY AFFAIRS DEPARTMENT

Sachivalaya, Gandhinagar, 12th March, 2026

No. RPB/Act-29/2025/E:- The Following Act of Parliament is republished for general information:-

Government of India
Ministry of Law and Justice
Legislative Department

New Delhi, the 21st August, 2025/Shravana 30, 1947 (Saka)

The following Act of Parliament received the assent of the President on the 21st August, 2025 and is hereby published for general information:-

THE TAXATION LAWS (AMENDMENT) ACT, 2025

NO. 29 OF 2025

[21*st August,* 2025.]

An Act further to amend the Income-tax Act, 1961 and to amend the Finance Act, 2025.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. This Act may be called the Taxation Laws (Amendment) Act, 2025. Short title.

CHAPTER II

AMENDMENTS IN THE INCOME-TAX ACT, 1961

43 of 1961.

2. In the Income-tax Act, 1961 (hereafter in this Chapter referred to as the Income-tax Act), in section 10, with effect from the 1st day of April, 2025,— Amendment of section 10.

(*a*) after clause (*12A*), the following clauses shall be inserted and shall be deemed to have been inserted, namely:—

"(*12AA*) any payment from the National Pension System Trust to an assessee, who is a subscriber to the Unified Pension Scheme, to the extent that it does not exceed sixty per cent. of the individual corpus, as specified in notification number FX-1/3/2024-PR, dated the 24th January, 2025 of the Department of Financial Services, made at the time of his superannuation or voluntary retirement or retirement under clause (*j*) of rule 56 of the Fundamental Rules [which is not treated as penalty under the Central Civil Services (Classification, Control and Appeal) Rules, 1965];

(*12AB*) any sum received as lump sum amount as per clause (*vi*) of paragraph 2 of the notification number FX-1/3/2024-PR, dated the 24th January, 2025 of the Department of Financial Services, by an assessee being a subscriber to the Unified Pension Scheme;";

(*b*) in clause (*23FE*), in *Explanation* 1, after clause (*c*), the following clause shall be inserted and shall be deemed to have been inserted, namely:—

"(*d*)(*i*) the Public Investment Fund of the Government of the Kingdom of Saudi Arabia; and

(*ii*) a wholly owned subsidiary of the Public Investment Fund of the Government of the Kingdom of Saudi Arabia, which—

(*A*) is a resident of Saudi Arabia; and

(*B*) makes investment, directly or indirectly, out of the fund owned by the said Government.".

Amendment of section 16.

3. In the Income-tax Act, in section 16, in clause (*ia*), in the proviso, after the word, brackets and figures "clause (*ii*)", the words, brackets and figures "or clause (*iii*)" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2025.

Amendment of section 80CCD.

4. In the Income-tax Act, in section 80CCD, with effect from the 1st day of April, 2025,—

(*a*) after sub-section (*3*), the following sub-section shall be inserted and shall be deemed to have been inserted, namely:—

"(*3A*) Where any amount standing to the credit of the assessee, being a subscriber to the Unified Pension Scheme, in his account referred to in sub-section (*1*) or sub-section (*1B*), in respect of which a deduction has been allowed under those sub-sections or sub-section (*2*), together with the amount accrued thereon, if any, is received by the assessee or his nominee, in whole or in part, in any previous year on account of his superannuation or voluntary retirement or retirement under clause (*j*) of rule 56 of the Fundamental Rules [which is not treated as penalty under the Central Civil Services (Classification, Control and Appeal) Rules, 1965], as may be applicable, the whole of the amount shall be deemed to be the income of the assessee or his nominee, as the case may be, in the previous year in which such amount is received, and shall accordingly be charged to tax as income of that previous year.";

(*b*) after sub-section (*5*), the following sub-section shall be inserted and shall be deemed to have been inserted, namely:—

"(*6*) For the purposes of sub-section (*3A*), the assessee shall be deemed not to have received any amount in the previous year if such amount is transferred to pool corpus from individual corpus on account of his superannuation or voluntary retirement or retirement under clause (*j*) of rule 56 of the Fundamental Rules [which is not treated as penalty under the Central Civil Services (Classification, Control and Appeal) Rules, 1965], as may be applicable.";

(*c*) for the *Explanation*, the following *Explanation* shall be substituted and shall be deemed to have been substituted, namely:—

'*Explanation*.—For the purposes of this section,—

(*i*) "pool corpus" and "individual corpus" shall have the same meanings as assigned to them in notification number FX-1/3/2024-PR, dated the 24th January, 2025, of the Department of Financial Services;

(*ii*) "salary" includes dearness allowance, if the terms of employment so provide, but excludes all other allowances and perquisites.'.

CHAPTER III

AMENDMENT IN THE FINANCE ACT, 2025

7 of 2025.

Amendment of section 49.

5. In section 49 of the Finance Act, 2025, after clause (*b*), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of September, 2024, namely:—

'(*ba*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*)(*a*) The assessment or reassessment or recomputation under the provisions of this Act (other than this Chapter), if any, pertaining to any assessment year falling in the block period, pending on the date of initiation of the search under section 132, or making of requisition under section 132A, as the case may be, shall abate and shall be deemed to have been abated on the date of initiation of search or making of requisition.

(*b*) Any proceeding for assessment or reassessment or recomputation under any provision of this Act (other than this Chapter) pertaining to any assessment year falling in the block period (other than the assessment year in which the last of the authorisations for a search is executed or requisition is made), for which a notice has been issued during the period commencing on the date of initiation of search under section 132 or making of requisition under section 132A and ending on the date of making of order under clause (*c*) of sub-section (*1*) of section 158BC, shall abate and shall be deemed to have been abated on the date of issue of such notice.";'.

Sd/-

DR. RAJIV MANI,

Secretary to the Government of India.

By order and in the name of the Governor of Gujarat,

Sd/-

K. M. LALA,

Secretary to Government.

Government Central Press, Gandhinagar.

Signature Not Verified
Signed by : BHOLUSINGH G THAKUR
Senior Manager
Government Central Press, Gandhinagar
Date : 2026.04.02 21:44:44 IST